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TAGS: [ECON](#) [EFIN](#) [PGOV](#) [PHUM](#) [ASEC](#) [ZI](#)

SUBJECT: ZIMBABWE: MUGABE'S RECENT REMARKS TROUBLING - RULE
OF LAW AND FINANCIAL SECTOR UNDER ATTACK

Classified By: Political Officer A. Besmer for reasons 1.5(b), (d)

1. (C) Summary: On July 25, President Mugabe went on record saying that the State would defy court judgments with which it did not agree. He also said gays were worse than pigs and dogs, warning Parliament against recognizing homosexual marriages. In a previous July 23 speech at the opening of Parliament Mugabe had two major themes--devaluation is dead, and land reform is the key to growth. He proposed various spending programs in the agriculture, legal and health sectors, but perhaps most troubling, the creation of a centralized Financial Services Authority which would tighten his grip on the banking sector. In an address to the Zimbabwe Nurses Association on July 27, he lambasted Britain for stealing Zimbabwe's health workers. Mugabe's remarks promise an intensification of economic central planning and its destructive consequences, as Britain continues to bear the rhetorical blame for all of Zimbabwe's woes. End Summary

2. (U) Alluding to Justice Minister Patrick Chinamasa's recent conviction on contempt of court charges, President Mugabe said in a July 25 speech at a reception he hosted for the opening of Parliament, "if they (judges) are not objective, don't blame us when we defy them." In the same address, Mugabe said that, "we will respect judges where the judgments are true judgments," and "when a judge sits alone in his house or with his wife and says 'this one is guilty of contempt' that judgment should never be obeyed." The President went on to say that, "They (judges) are ordinary people, mortals with ordinary flesh who get drunk if they drink at all. So we expect them to be objective."

3. (U) Then he launched into a typical diatribe against homosexuality, apparently using the opportunity to refute indirectly recent rumors about the sexual orientation of one of his cabinet members. "When I say gays are worse than dogs and pigs, I really meant it because pigs don't do unnatural things. Let not our Parliament ever entertain that the unnatural must be made natural. ...I cannot appreciate that a whole Parliament can decide that Robert Mugabe and Joseph Msika can get married. I certainly appreciate that which is natural. I don't think the mission of human beings is to do unnatural things."

4. (U) In his earlier July 23 speech at the opening ceremony of Parliament, Mugabe blamed British "machinations" and the drought for Zimbabwe's economic woes. He also criticized the banking sector for instability and hindering growth: "The much-anticipated agrarian-led economic revival cannot take place for as long as our financial sector continues to be completely unstable. Our banking institutions have to be shaken into realizing the harm they are doing to the economy through rampant indiscipline. The parallel market of our financial, or is it money market has to be brought under immediate control. ...a run-away exchange rate cannot be the way to the recovery of our economy. ...We accordingly need to cause greater production of exportables, especially our major earners of foreign currency... ..through various export promotion schemes, including incentives. ...Devaluation is thus dead!"

5. (U) At the Parliamentary ceremony, Mugabe said Zimbabwe would accept humanitarian aid, but he criticized international "sinister interests" for exacerbating Zimbabwe's vulnerability, and threatening its sovereignty under cover of humanitarian involvement. Linking food security to land reform, he said, "as part of our effort to find a lasting solution to food security, the implementation of the Agrarian Reform Programme has been our highest priority..."

6. (U) In his July 23 remarks, Mugabe expressed delight that a Value Added Tax (VAT) bill had been introduced in Parliament, noting that the VAT would enable tax collection at each stage of production. Correspondingly, he advanced various proposals to spend VAT revenue including an earmarked ZWD\$8.5 billion (USD\$12 million) for "tillage, crop and livestock input support to our newly resettled farmers for the next agricultural season." He suggested unspecified

spending for "Soldiers Engaged in Economic Development" (SEED) to clear landmines from land to be used for settlement, unspecified spending to build border posts at three locations in the northwest and east frontiers of the country, unspecified spending for a legal aid scheme, unspecified spending for satellite schools utilizing existing farm homesteads, sheds and barns for children of "new farmers", and unspecified spending for HIV/Aids prevention, counseling and testing.

17. (U) Mugabe proposed to centralize under a Financial Services Authority the existing Commissioner of Insurance, Registrar of Banking Institutions, Registrar of Building Societies, Registrar of Stock Exchange, Registrar of Collective Investment Schemes, and Registrar of Pension and Provident Funds. In addition he proposed to amend the education act to appoint civil servants to head every school whether public, religious, or private, a proposal which subsequently elicited significant criticism.

18. (U) At the Zimbabwe Nurses' Association's 19th Annual General Meeting in Chinoyi on July 27 Mugabe castigated Britain for "coming at the dead of night to steal our people (pharmacists, doctors and nurses)," even though "We have created an environment that allows that upliftment of nurses."

Comment:

19. (C) Mugabe's comments confirm that he has no intention of veering from his current destructive path. It is clear that sound economic policy-making will continue to be sacrificed on the altar of politics, so long as Mugabe remains at the helm. We will watch closely whether establishment of the proposed Financial Services Authority nudges Zimbabwe ever closer to a command economy. Mugabe's public comments were noteworthy as well for his refusal to take any responsibility for this country's political and economic crises, preferring instead to blame his favorite whipping boy, Britain.

110. (C) Mugabe's remarks on the Judiciary on July 23 were the first time he has explicitly vowed to ignore court rulings he does not deem impartial or objective, although he has done so de facto for the past three years. His speech was nonetheless the most compelling example to date of the GOZ's contempt for basic rule of law. We would suggest quoting Mugabe's precise words as presidential affirmation that the Mugabe Government will no longer accept the rule of law. End Comment.

SULLIVAN